

RESOLUTION NO. 04- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, REVISING THE EXECUTIVE COMPENSATION PLAN AND EXECUTIVE SALARY SCHEDULE TO REFLECT CHANGES IN THE ESTABLISHED LABOR MARKETPLACE.

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Costa Mesa City Council established the Executive Compensation Plan to: 1) promote maximum commitment by City executives to objectives and standards of the City Council and City Manager; 2) establish a system in which compensation serves as an effective device for promoting better job performance; 3) foster the identification of an executive employee group and recognize the distinct character of executive jobs; and, 4) improve the City's ability to attract and retain outstanding executives.

The Personnel Division annually conducts a survey of the total compensation paid to comparable executive positions in the defined labor marketplace using the most recent information available on April 30 of each year. The elements of total compensation are as follows: top step base salary; employer-paid member retirement contribution; 125 cafeteria accounts or individual premiums for health, dental, life and disability insurances at the family rate; deferred compensation contributions paid by the employer; auto allowances; the value of enhanced retirement plans greater than the PERS [2%@60](#) (nonsworn) or PERS [2%@50](#) (safety) formulas; any other elements prevalent within the marketplace that the City Manager considers appropriate and that may influence the City's ability to retain and recruit executive employees or remain competitive.

SECTION 2. The following job classifications are hereby placed under the

Executive Salary Schedule at the salary ranges and monthly rates of pay specified effective May 2, 2004. The monthly rate of pay for individual executives may be anywhere within the monthly minimum and maximum salary step. In addition, for non-sworn classifications, the City pays the employees' 7% retirement contribution to the Public Employees' Retirement System (PERS), and for sworn classifications, the City pays the employees' 9% retirement contribution to PERS.

Class Code	Class Title	Pay Grade No.	1	7
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APPOINTED AT-WILL EXECUTIVES

075	Assistant City Manager	810	\$9,644	\$12,923	Monthly
			\$115,728	\$155,076	Annual
			\$55.64	\$74.56	Hourly
082	City Attorney	830	\$10,546	\$14,133	Monthly
			\$126,552	\$169,596	Annual
			\$60.84	\$81.54	Hourly
076	City Manager	840	\$11,079	\$14,847	Monthly
			\$132,948	\$178,164	Annual
			\$63.92	\$85.66	Hourly

APPOINTED AT-WILL DEPARTMENT DIRECTORS

069	Finance Director	772	\$7,928	\$10,626	Monthly
			\$95,136	\$127,512	Annual
			\$45.74	\$61.30	Hourly
223	Fire Chief	793	\$8,791	\$11,780	Monthly
			\$105,492	\$141,360	Annual
			\$50.72	\$67.96	Hourly
207	Police Chief	792	\$9,185	\$12,308	Monthly
			\$110,220	\$147,696	Annual
			\$52.99	\$71.01	Hourly

DEPARTMENT DIRECTORS IN THE CLASSIFIED SERVICE

091	Administrative Services Director	775	\$8,047	\$10,783	Monthly
			\$96,564	\$129,396	Annual
			\$46.43	\$62.21	Hourly
155	Development Services Director	797	\$8,964	\$12,015	Monthly
			\$107,568	\$144,180	Annual
			\$51.72	\$69.32	Hourly
117	Public Services Director	791	\$8,706	\$11,665	Monthly
			\$104,472	\$139,980	Annual
			\$50.23	\$67.30	Hourly

DIVISION MANAGERS IN THE CLASSIFIED SERVICE

080	Assistant City Attorney	778	\$8,153	\$10,927	Monthly
			\$97,836	\$131,124	Annual
			\$47.04	\$63.04	Hourly
157	Assistant Development Services Director	761	\$7,501	\$10,052	Monthly
			\$90,012	\$120,624	Annual
			\$43.28	\$57.99	Hourly
068	Assistant Finance Director	750	\$7,106	\$9,524	Monthly
			\$85,272	\$114,288	Annual
			\$41.00	\$54.95	Hourly
214	Battalion Chief	728	\$6,380	\$8,550	Monthly
			\$76,560	\$102,600	Annual
			\$36.81	\$49.33	Hourly
059	Budget and Research Officer	740	\$6,767	\$9,068	Monthly
			\$81,204	\$108,816	Annual
			\$39.04	\$52.32	Hourly
142	Building Official	754	\$7,247	\$9,713	Monthly
			\$86,964	\$116,556	Annual
			\$41.81	\$56.04	Hourly
112	City Engineer	751	\$7,142	\$9,570	Monthly
			\$85,704	\$114,840	Annual
			\$41.20	\$55.21	Hourly
220	Deputy Fire Chief	771	\$7,878	\$10,558	Monthly
			\$94,536	\$126,696	Annual
			\$45.45	\$60.91	Hourly
416	Fairview Park Plan Administrator	102	\$5,502	\$7,374	Monthly
			\$66,024	\$88,488	Annual
			\$31.74	\$42.54	Hourly
219	Fire Division Chief/Fire Marshal	754	\$7,247	\$9,713	Monthly
			\$86,964	\$116,556	Annual
			\$41.81	\$56.04	Hourly
077	Legislative & Public Affairs Manager	740	\$6,767	\$9,068	Monthly
			\$81,204	\$108,816	Annual
			\$39.04	\$52.32	Hourly
451	Maintenance Services Manager	733	\$6,539	\$8,761	Monthly
			\$78,468	\$105,132	Annual
			\$37.73	\$50.54	Hourly
047	Management Information Services Manager	741	\$6,799	\$9,113	Monthly
			\$81,588	\$109,356	Annual
			\$39.23	\$52.58	Hourly
160	Neighborhood Improvement Manager	719	\$6,103	\$8,181	Monthly
			\$73,236	\$98,172	Annual
			\$35.21	\$47.20	Hourly
098	Personnel Manager	748	\$7,038	\$9,430	Monthly
			\$84,456	\$113,160	Annual
			\$40.60	\$54.40	Hourly
159	Planning and Redevelopment Manager	719	\$6,103	\$8,181	Monthly
			\$73,236	\$98,172	Annual
			\$35.21	\$47.20	Hourly
097	Police Administrative Services Commander	756	\$7,318	\$9,808	Monthly
			\$87,816	\$117,696	Annual
			\$42.22	\$56.58	Hourly
205	Police Captain	756	\$7,318	\$9,808	Monthly
			\$87,816	\$117,696	Annual
			\$42.22	\$56.58	Hourly
305	Recreation Manager	733	\$6,539	\$8,761	Monthly
			\$78,468	\$105,132	Annual
			\$37.73	\$50.54	Hourly
085	Risk Manager	738	\$6,700	\$8,979	Monthly
			\$80,400	\$107,748	Annual
			\$38.65	\$51.80	Hourly

083	Senior Deputy City Attorney	743	\$6,866	\$9,202	Monthly
			\$82,392	\$110,424	Annual
			\$39.61	\$53.09	Hourly
236	Telecommunications Manager	741	\$6,799	\$9,113	Monthly
			\$81,588	\$109,356	Annual
			\$39.23	\$52.58	Hourly
113	Transportation Services Manager	745	\$6,933	\$9,292	Monthly
			\$83,196	\$111,504	Annual
			\$40.00	\$53.61	Hourly

SECTION 3. Except for the City Manager and City Attorney classifications, a pay-for-performance evaluation and compensation system will be utilized for all employees in executive job classifications. All compensation increases for executives will be based upon continued meritorious service to the City. Though the City Manager and City Attorney will receive labor marketplace salary adjustments, annual performance evaluations for the positions by the City Council will be conducted in the fall of each year.

SECTION 4. The City shall contribute toward the executive flexible benefit plan bucket for the payment of premiums for affected employees and their dependents based upon the following criteria:

- Full family coverage for the PERS Choice medical plan under the California Public Employees' Retirement System (CALPERS) health insurance programs;
- Full family coverage for the Delta Dental Indemnity plan;
- Full premium payment for Life Insurance;
- For Department Directors, the Long Term Disability premium will be based upon the top step salary of the highest-salaried Department Director within the classified service;
- For Division Managers, the Long Term Disability premium will be based upon the top step salary of the highest-salaried Division Manager within the classified service.

Any amounts necessary to maintain benefit premiums in excess of the City

contribution specified above shall be borne entirely by the executive employee.

SECTION 5. Executives in the Police Captain classification are eligible to receive P.O.S.T. incentive pay upon attaining a Management Certificate from the State of California Commission on Peace Officer Standards and Training (P.O.S.T.) and ten years of sworn police supervisory experience. The incentive pay will be 5% of base salary and will be included as an element of total compensation in the annual calculation.

SECTION 6. Off-duty executives in the Battalion Chief classification who are assigned by the Fire Chief or Deputy Fire Chief to a twenty-four (24) hour fire suppression work shift to replace another Battalion Chief who is on sick leave, vacation, bereavement leave or other approved absence, will receive an amount equivalent to straight time pay for each hour worked up to a maximum of 80 hours. Monthly staff meetings will be inclusive of the above 80-hour maximum but shift exchanges between two Battalion Chiefs will not qualify for the Shift Replacement Pay. Pursuant to Section 13(a)(1) of the Fair Labor Standards Act, the City will continue to determine that executives in the Battalion Chief classification are exempt from both the minimum wage and overtime provisions of the Fair Labor Standards Act.

SECTION 7. Administrative Regulation 2.19 on Executive Leave establishes the provision of 80 hours of Executive Leave for every executive employee (112 hours for sworn Fire executives). Executives who are regularly assigned as staff support to the City Council, Planning Commission or the Parks and Recreation Commission may be annually granted additional Executive Leave up to forty (40) hours. Executives who are involved in extraordinary major projects or assignments may also be granted additional Executive Leave up to forty (40) hours based upon a Department Director recommendation, which includes documentation of additional hours regularly worked.

The City Manager has the sole discretion to grant or deny additional Executive Leave hours. No employee shall be granted more than 120 Executive Leave hours (168 hours for sworn Fire executive) annually and, if additional hours are approved, the hours are subject to the same carry forward limitations detailed in Administrative Regulation 2.19.

SECTION 8. Pursuant to the Executive Professional Development Reimbursement Program, the City agrees to reimburse Department Directors up to \$2,000 and Division Managers up to \$1,000 per fiscal year for activities, materials, equipment or fees that will aid in their individual professional development. The intent of this program is to encourage and recognize executive staff for pursuing educational, professional or community-oriented activities, enhancing job skills and expertise, and/or purchasing materials/equipment, which improve the executive's performance. These activities, materials, equipment or fees are intended to be beyond what is budgeted for individuals through the annual budget cycle. The reimbursement options available include the following:

- Professional memberships, licenses and certificates which are job-related;
- Professional conferences which are job-related including fees and other expenses while attending;
- Membership dues in community organizations relevant to the executive's job assignment;
- Purchase of job-related professional journals, periodicals, books or other written materials which further knowledge or improvement of effectiveness in performance of duties;
- Education fees that exceed the City's annual \$1,000 tuition reimbursement limit;
- Direct purchase of qualifying computer equipment defined in Administrative Regulation 2.29;

- Annual payments for the Executive Computer Loan Guarantee Program defined below up to the maximum \$2,000 per fiscal year for Department Directors and \$1,000 for Division Managers.

The Department Director and Administrative Services Director must approve participation in the activities and/or purchase of the materials/equipment in advance. Claims for reimbursement must be accompanied by documentation that an eligible expense has been incurred during the fiscal year for the executive employee only. Any portion of the reimbursement amount not incurred within the fiscal year shall remain City funds unless prior approval has been received by the City Manager. Requests to carry forward unencumbered amounts to the next fiscal year must receive approval by the City Manager prior to the end of the fiscal year. All payments will be in the form of reimbursement and no executive employee will directly receive cash for this benefit. Reimbursements, which are subject to taxation, will be processed through the payroll system. The Finance Department shall administer this program in accordance to the stated purpose and will provide the appropriate forms and procedures. This reimbursement program does not prohibit individual departments from continuing to budget funds for executive staff attendance at professional conferences and seminars, for the payment of professional membership dues, and/or for the purchase of books, journals and written materials that are job-related and will enhance an executive's knowledge or expertise.

SECTION 9. Executive employees who have passed probation and at-will Department Directors are eligible to participate in the Executive Computer Loan Guarantee Program. The City shall specify the minimum equipment configuration and it is the employee who is responsible to negotiate the price for the equipment and to bring a copy of the order/quote to the MIS Division for approval before loan application and

purchase. The executive must apply for a loan with the Costa Mesa Federal Credit Union that will be subject to all Credit Union lending practices. The City will agree to guarantee the loan for the executive, which thereby will lower the interest rate on the loan.

Loan payments must be by payroll deduction. Each loan payment period shall not exceed 30 months and the aggregate value of the loan(s) shall not exceed \$3,500 per executive. As a condition of the program, terminating executives participating in the program must satisfy any outstanding amounts of the loan with the final paycheck. The City will continue to provide the software necessary for executives to have remote access to the City's servers and compatibility to City software. In order for an executive to receive a loan under the program for equipment upgrades or purchase of new equipment components that meet the City-approved minimum configuration, the executive must certify that he/she already owns the remaining components required to meet the minimum equipment configuration. Equipment purchased under this program becomes the property of the executive. No more than once a year an executive may request reimbursement for payments under the Executive Computer Loan Guarantee Program along with Credit Union verification that the payments have been made by the employee. Department Directors may request up to \$2,000 and Division Managers up to \$1,000 per fiscal year under the Executive Professional Development Reimbursement Program.

SECTION 10. The 401(a) deferred compensation plan provides executives with another tax-deferred savings plan for future financial planning. The City will provide a .5% per pay period employer contribution for any executive whose management group elects to participate in the 401(a) plan. The employer contribution will be reflected in that executive's annual total compensation calculation. However, the City will not provide an

employer contribution to the current 457 deferred compensation plan and the executive must make all 457 contributions.

SECTION 11. All resolutions and parts of resolutions in conflict herewith are hereby rescinded.

PASSED AND ADOPTED this 3rd day of May 2004.

Mayor of the City of Costa Mesa

ATTEST:

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Deputy City Clerk of the City of Costa Mesa

APPROVED AS TO FORM

Acting City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, Julie Folcik, Deputy City Clerk and ex-officio Clerk of the City Council of the City of Costa Mesa, hereby certify that the above and fore-going Resolution No. 04- was duly and regularly passed and adopted by the said City Council at a regular meeting thereof, held on the 3rd day of May, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the City of Costa Mesa this 4th day of May 2004.

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Deputy City Clerk ex-officio Clerk of the
City Council of the City of Costa Mesa